

Business Vitality

The economy of Placer County encourages a range of profitable investment opportunities. Comparatively inexpensive business costs, plentiful skilled labor, abundant resources, and excellent transportation facilities create an outstanding commercial climate.

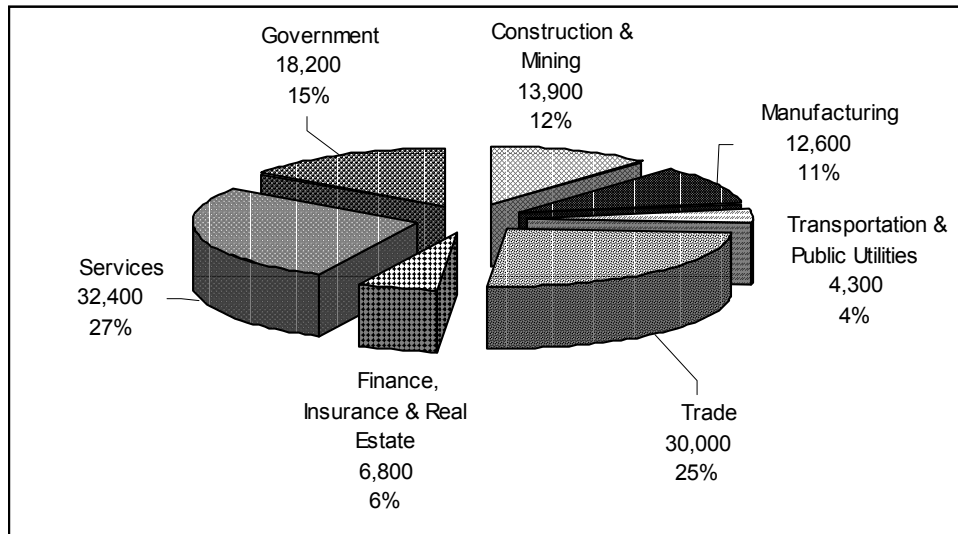
This section covers the market potential of the Greater Sacramento Area, as well as the major influences and contributors to the region's economy.

Market Potential

Placer County's economy provides a desirable mix of jobs for those migrating to the area. The County's diverse economy and geography encompasses North Lake Tahoe, where tourism is the primary economic activity, and South Placer in the Sacramento metropolitan area, where high technology sectors are the leading employers. Employment continues to increase in both of these sectors. Electronics, led by Hewlett-Packard and NEC, employs over 8,000 workers, while employment in Squaw Valley, Northstar, and Alpine Meadows grows to meet the demand of visitors who enjoy year-round activities.

Figure 20 shows that the Trade and Service sectors in Placer County provide over 50 percent of the jobs, followed by Government and Manufacturing at another 26 percent. Other significant contributors to the economic diversity of the area include Construction, Finance, Insurance, & Real Estate, and Transportation & Public Utilities.

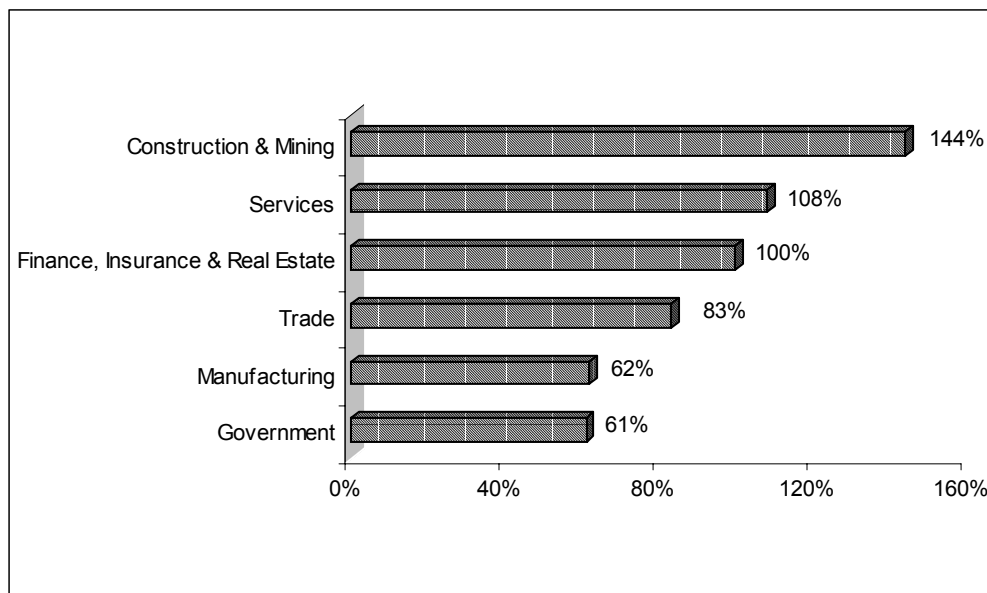
FIGURE 20
EMPLOYMENT STRUCTURE IN PLACER COUNTY IN 2001



Prepared by the Sacramento Regional Research Institute
Source: California Employment Development Department, Labor Market Information

Figure 21 shows that the Construction & Mining sector followed by the Services, Finance, Insurance & Real Estate, and Trade sectors all experienced the highest growth between 1991 and 2001.

FIGURE 21
EMPLOYMENT GROWTH SECTORS IN PLACER COUNTY
BETWEEN 1991 AND 2001



Prepared by the Sacramento Regional Research Institute
Source: California Employment Development Department, Labor Market Information

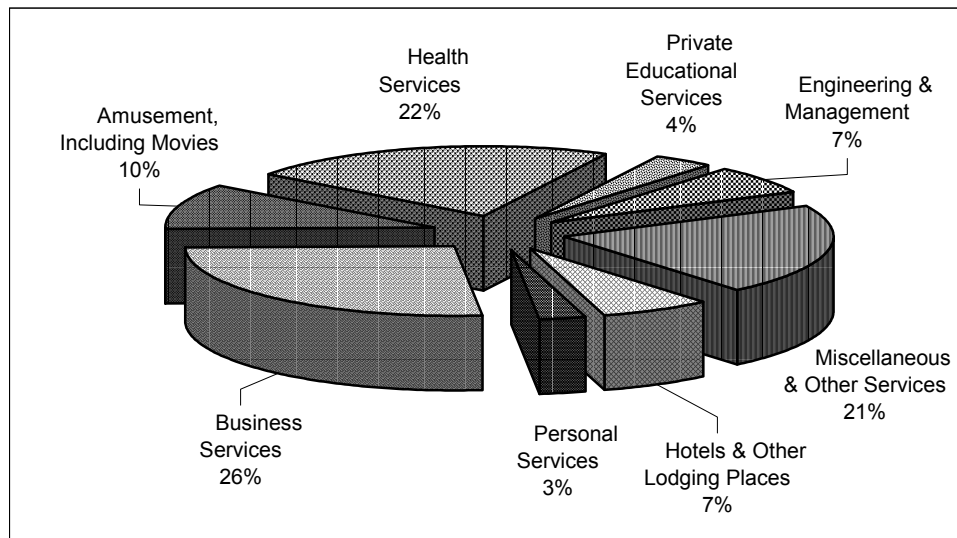
Services

The Service sector is the largest contributor to the rapid growth of the economy in Placer County. As one of the largest employment sectors (Trade is the other), it provided 32,400 jobs in 2001 or 27 percent of total employment.

The composition of the Service sector in Placer County is illustrated in Figure 22. Employment is concentrated in three major categories: business services, health services and miscellaneous services. The business services sector includes the computer and software services, data and information services, and other components of the information technology industry.

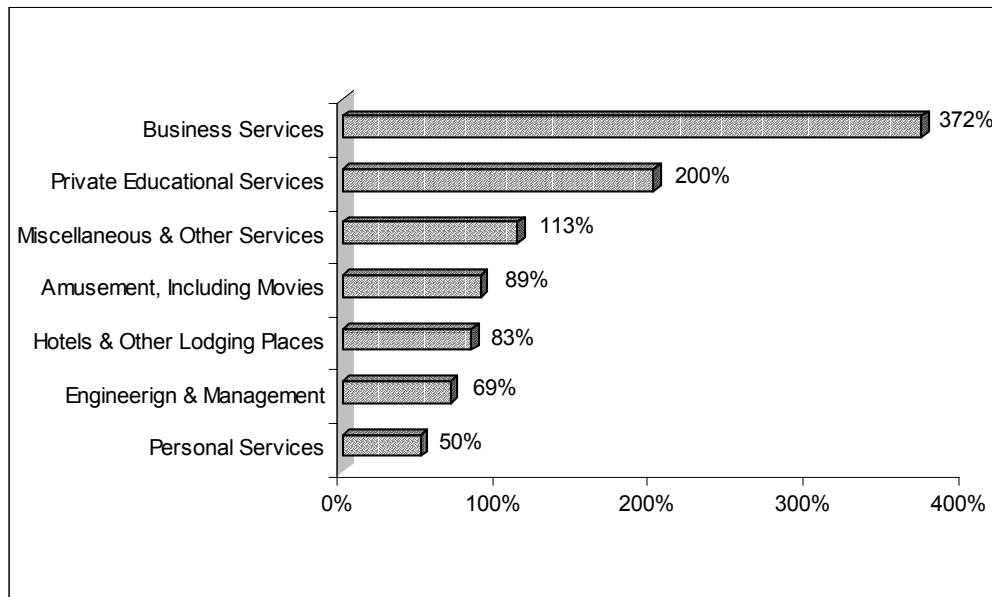
Employment in the Services sector increased from 15,600 in 1991, to 32,400 in 2001, adding 16,800 new jobs over the 10-year period. Figure 23 illustrates the employment growth in the components of the service sector between 1991 and 2001. The rapid growth experienced by the Service industry in recent years can be traced primarily to Business Services components, followed by Private Educational Services, Engineering and Management, and Amusement Services.

FIGURE 22
COMPONENTS OF SERVICE EMPLOYMENT IN
PLACER COUNTY IN 2001



Prepared by the Sacramento Regional Research Institute
Source: California Employment Development Department, Labor Market Information

FIGURE 23
EMPLOYMENT GROWTH IN COMPONENTS OF THE SERVICE
SECTOR BETWEEN 1991 AND 2001

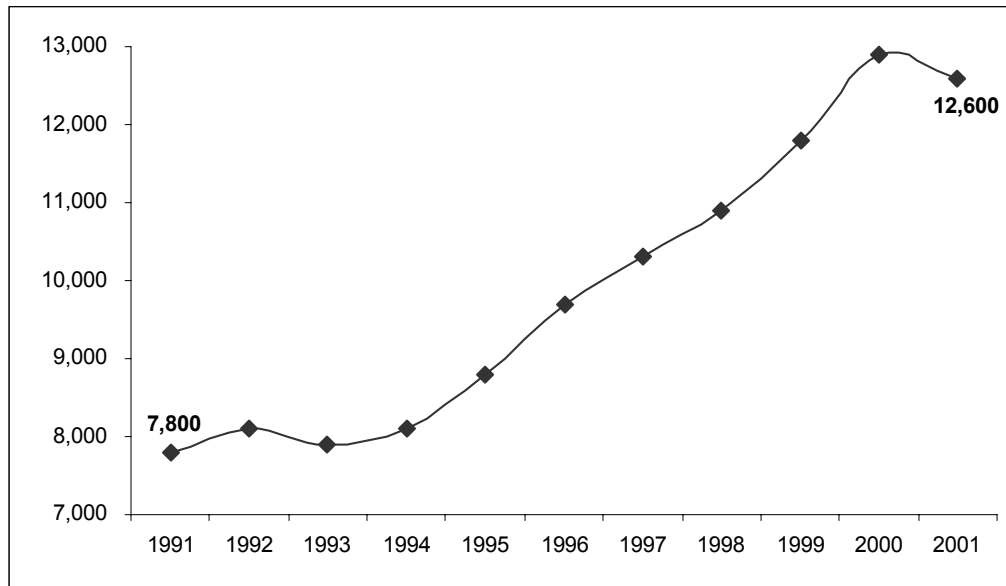


Prepared by the Sacramento Regional Research Institute
Source: California Employment Development Department, Labor Market Information

Manufacturing

The region's rapidly growing Manufacturing sector is a source of pride for the County. Manufacturing currently provides 12 percent of Non-Farm employment in Placer County. Figure 24 shows that Manufacturing employment in Placer County has increased from 7,800 in 1991 to 12,600 in 2001. Most of this growth is due to expansion in manufacturing of electronic equipment.

FIGURE 24
EMPLOYMENT GROWTH IN THE MANUFACTURING SECTOR

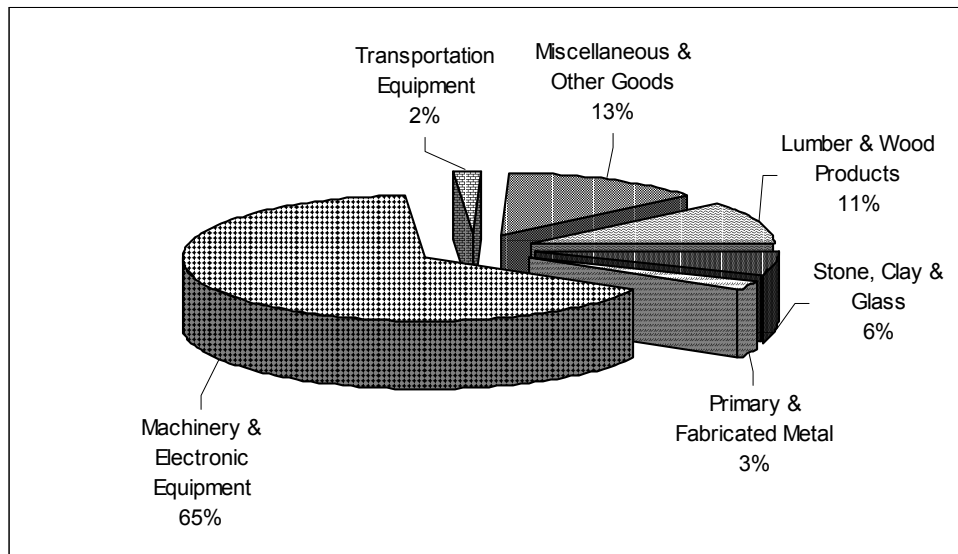


Prepared by the Sacramento Regional Research Institute
Source: California Employment Development Department, Labor Market Information

Figure 25 shows the components of Manufacturing employment by sector. The data indicates that the largest employment category, Electronic Equipment, employs 65 percent of the manufacturing sector. The rapidly expanding size of this sector is due partially to the presence of Hewlett-Packard and NEC. Employment in these sectors increased every year during the 10-year period, including years in which the electronics industry elsewhere declined.

Other employers in the Manufacturing sector include Lumber and Wood Products, Stone, Clay and Glass Products, Primary and Fabricated Materials, Transportation Equipment and Other Miscellaneous Goods.

FIGURE 25
COMPONENTS OF MANUFACTURING EMPLOYMENT IN PLACER COUNTY IN 2001



Prepared by the Sacramento Regional Research Institute
 Source: California Employment Development Department, Labor Market Information

Wholesale and Retail Trade

Retail and Wholesale Trade in Placer County are also fast growing segments of the economy, providing 25 percent of the regional employment. Figure 26 shows total taxable sales in Placer County. In Placer County, the majority of taxable sales revenue is obtained from retail outlets.

FIGURE 26
TAXABLE SALES
(IN THOUSANDS OF DOLLARS)

Area	Taxable Sales - Total Outlets			Retail Sales 1st Q 2001 - 4th Q 2001	
	1st Quarter 2000 thru 4th Quarter 2000	1st Quarter 2001 thru 4th Quarter 2001	Percent Change	Total Retail Sales	Percent Retail
Placer County	4,741,567	5,201,929	9.7%	3,793,236	72.9%
Auburn	248,608	235,134	-5.4%	166,013	70.6%
Colfax	44,301	49,822	12.5%	34,408	69.1%
Lincoln	77,479	90,846	17.3%	53,549	58.9%
Loomis	79,238	79,450	0.3%	39,256	49.4%
Rocklin	380,621	407,145	7.0%	312,130	76.7%
Roseville	2,395,294	2,756,587	15.1%	2,352,220	85.3%

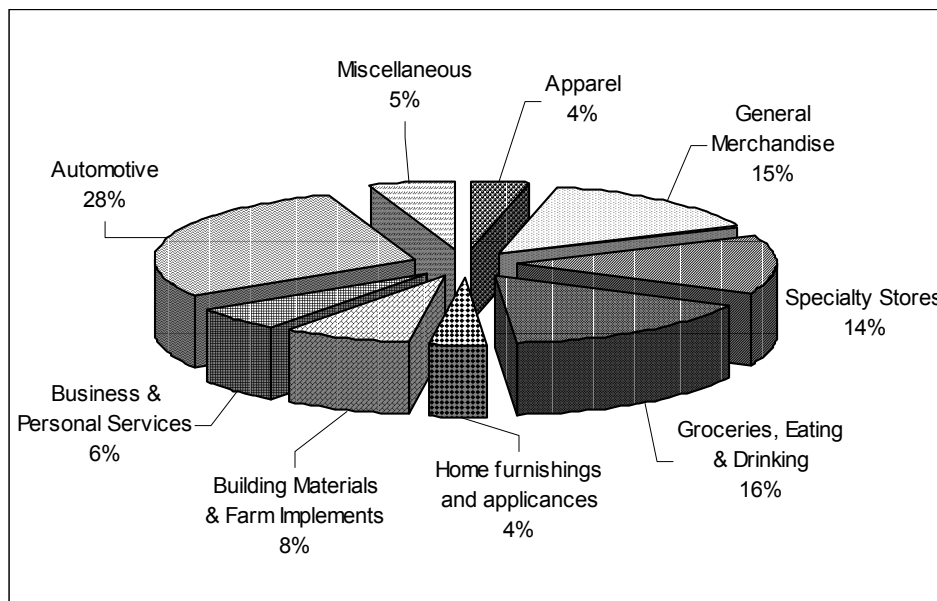
Prepared by the Sacramento Regional Research Institute
 Source: California State Board of Equalization, Taxable Sales in California

Retail establishments in Placer County reported over \$5.2 billion annually in taxable sales through the fourth quarter in 2001, an increase of over nine percent since the year before. The city with the greatest amount of annual taxable sales through the fourth quarter 2001 is Roseville. Lincoln is the city that experienced the largest increase in taxable sales at over 17 percent, followed by Roseville and Colfax with 15.1 and 12.5 percent, respectively. Much of the increased revenue during this period can be attributed to the entry of larger retail outlets into the retail marketplace.

Figure 27 shows the composition of retail sales in Placer County. Retail sales are dominated by Automotive (28 percent) and Grocery Stores and Eating and Drinking Establishments (16 percent). These components account for over 40 percent of the retail sales volume. Other sizeable sectors are General Merchandise (15 percent) and Specialty Stores (14 percent).

Between 1991 and 2001, Wholesale Trade employment in the Greater Sacramento Area increased from 2,000 to 3,600 employees, an 80 percent increase. This sector is a major influence on the high rate of new warehouse construction in Placer County. A number of factors contributed to the increase in wholesale distribution activities. Among others, high levels of retail sales in Placer County encouraged many national retail chains to establish distribution points in the region.

FIGURE 27
COMPOSITION OF RETAIL SALES IN PLACER COUNTY
4TH QUARTER 2000 THROUGH 3RD QUARTER 2001



Prepared by the Sacramento Regional Research Institute
Source: California Board of Equalization, Taxable Sales in California

Banking and Finance

A complete network of banks and savings and credit union institutions serves the business community in Placer County. Several of these institutions are locally based and are shown in Figure 28.

FIGURE 28
LOCALLY BASED BANKING AND SAVINGS INSTITUTIONS
(IN THOUSANDS; SORTED BY DEPOSITS)

<i>Institution</i>	<i>City</i>	<i>Deposits</i>	<i>Assets</i>
Placer Sierra Bank	Auburn	\$812,074	\$949,717
Auburn Community Bank	Auburn	\$76,421	\$84,086
Five Star Bank	Rocklin	\$45,493	\$61,214

Prepared by the Sacramento Regional Research Institute
Source: Federal Deposit Insurance Corporation, Financial Data as of June 2002

All major financial institutions have branch offices in Placer County, and the headquarters of several financial institutions are based in the region. Figure 29 ranks the top ten banks, local and national/state, by market share in Placer County.

FIGURE 29
MARKET SHARE: TOP TEN BANKING AND
SAVINGS INSTITUTIONS
(IN THOUSANDS; SORTED BY MARKET SHARE)

<i>Institution</i>	<i>Deposits</i>	<i>Market Share</i>
Bank of America	\$588,070	20.4%
Wells Fargo Bank	\$432,603	15.0%
Placer Sierra Bank	\$388,672	13.5%
U.S. Bank	\$248,356	8.6%
World Savings Bank	\$243,299	8.5%
Washington Mutual	\$168,381	5.9%
California Federal Bank	\$118,479	4.1%
First Bank and Trust	\$107,564	3.7%
Western Sierra National Bank	\$100,757	3.5%
Bank of the West	\$91,932	3.2%

Prepared by the Sacramento Regional Research Institute
Source: Federal Deposit Insurance Corporation, Financial Data as of June 2002